

Richland County Committee

Agenda Item Cover

Agenda Item Name: Health Insurance Renewal

Department	Administration	Presented By:	Administrator
Date of Meeting:	07 Sep 2021	Action Needed:	Vote
Disclosure:	Open Session	Authority:	Structure E
Date submitted:	02 Sep 2021	Referred by:	
Action needed by no later than (date)	N/A	Resolution	<u>N/A</u> , prepared, reviewed

Recommendation and/or action language:

Motion to accept ... proposed Quartz 2022 renewal at 16% premium increase and recommend renewal to the Richland County Board as part of the 2022 Budget for adoption by resolution, and have the County Administrator sign the renewal.

Background: *(preferred one page or less with focus on options and decision points)*

The initial renewal proposal from Quartz a 16% (trend) increase for 2022. This proposal was based on current and expected experience (Medical Loss Ratio), demographics, and our long-term partnership. Our insurance consultants with Wallace, Cooper and Elliot entered into negotiations with Quartz in August. Quartz is standing firm on the 16% renewal based on actuarial factors including our current loss ratio, demographics and projected usage.

-Representatives from Wallace Cooper and Elliot and Quartz will be at the meeting to present. -

The County Administrator assembled an advisory team this summer to interview broker/consultants, review our plan design, and evaluate our 2022 plans make recommendations on the upcoming year and beyond. The advisory team was most helpful in better understanding the position of departments and employees. The two major courses of actions suggested for future consideration:

1. Rejoin ETF health insurance program, or consider changing our existing plan to match the mid-deductible plan with removal of the HRA
2. Future in-depth evaluation of broker consultant benefits and resources

Administrator's responses:

1. Rejoining ETF will come with re-entry fees and additional administrative burden on the county. If an Assistant to the Administrator position is funded this burden may be more feasible. We have made a significant investment into wages entering 2022. Focus on 2023 will be health insurance and benefits, and consideration for our usage rate will have to be considered and planned for. Changing to a reduced deductible plan mirroring an ETF option resulted in 48.22% renewal. Factoring for HRA reductions, and estimated HRA expenditures made this option higher than the current plan renewal.
2. Further conversations with brokers and consultants are intended for the 1st quarter of 2023. Wallace, Cooper and Elliot have been excellent partners and the initiative to possibly replace their convenience and excellent customer services with added resources

Richland County Committee

Agenda Item Cover

provided through bigger firms warrants further evaluation. If we return to ETF, we will do so directly without a broker.

Additional plan and design changes were discussed with Wallace Cooper and Elliot and the County Administrator following the 2022 renewal offer. No action on plan design changes or employee/employer premium share is recommended at this time.

Attachments and References:

County Renewal	Richland County Group Exhibit
MLR Report	

Financial Review:

(please check one)

<input checked="" type="checkbox"/>	In adopted budget	Fund Number	Proposed budget within department
<input type="checkbox"/>	Apportionment needed	Requested Fund Number	
<input type="checkbox"/>	Other funding Source		
<input type="checkbox"/>	No financial impact		

(summary of current and future impacts)

16% increase equates to an approximate \$83,613.36 estimated increase in 2022 levy impact, with consideration for increases absorbed by revenue and reimbursements.

Approval:

Review:

Clinton Langreck

Department Head

Administrator, or Elected Office (if applicable)
